



City of Raleigh CDBG Community Enhancement Grants Program Management Guidelines

Congratulations! You have successfully completed the process of applying for and being awarded CDBG funds for your project. The federal government places certain requirements on the use, reporting and monitoring of your grant.

Because your CDBG funds were awarded through the City of Raleigh, we are required to monitor your project until the end of your grant period. These guidelines and other information we provide are part of the Community Development Department's Technical Assistance (TA) to your organization.

First, a few reminders from the Request for Proposals and your applications for funding:

REQUIREMENTS AND PRIORITIES

The funded program must meet at least one of the CDBG national objectives.

The applicant must have an adequate financial management system in place to maintain effective control and accountability over all funds, property and other assets covered by your proposal, and to produce sufficient backup documentation for costs and tracking of the project.

The sub grantee must maintain sufficient books, records, documents, and files for review and audit.

The sub grantee must have adequate internal management procedures and separation of duties to prevent fraud and abuse.

Organizations must have a Board of Directors that meets on a regular basis.

Note: Funds not spent within 18 months of contract start date will be recaptured by the City of Raleigh. If no funds have been expended within twelve months, the entire project will be cancelled and all funds will be recaptured.

These funds are not renewable.

The City portion of program budget may not exceed 40%.

BUDGET INFORMATION - EXPENDITURES

1. Personnel and Related Expenditures: (This category includes salaries and wages earned by the agency's permanent, temporary, full and part-time employees. Include premiums for insurance, pension/retirement plans, medical insurance and any other employee benefits, FICA, unemployment insurance, workers compensation and disability premiums and any other personnel related expense incurred by the agency. **This category is not eligible for City funding.**

2. Contracted Services and Professional Fees: Include fees directly related to the operation of your agency. Include fees for audits, legal work, independent accounting, consultants and any other contractors. **Professional fees are not eligible for City reimbursement.**
3. Grant Writing: This item is separated from item Number 2, because CDBG funds cannot be used for grant writing activities.
4. Fundraising and Recognition: Include fees to a professional fundraising organization or individual, or costs associated with agency fundraising activities; and funds for awards or recognition activities for volunteers, staff or clients.
5. Telephone and Postage: Include local, long distance, fax, cell phones, and 800 service charges. Postage includes regular postage, parcel post, freight, bulk mail, and shipping charges. **This category is not eligible for City funding.**
6. Office Supplies and Printing: Include any office supplies used by the agency; printing of any materials in-house or professional printing costs; marketing materials and paid advertisements or any other costs associated with the marketing of the agency or its programs.
7. Dues and Subscriptions: Include the cost of subscriptions or membership dues paid for staff to be part of organizations relevant to the agency; dues for agency membership and dues to any national affiliates. **This category is not eligible for City funding.**
8. Travel and Training: Include costs for leasing vehicles, payments on vehicles, vehicle gas and oil, vehicle repairs and maintenance, and mileage and travel costs reimbursed to staff; cost of classes, seminars, workshops, etc. for staff; cost of hotels, meals and travel incurred during travel or training; and costs associated with the agency hosting a conference or training session. **This category is not eligible for City funding.**
9. Maintenance and Repair: Include maintenance contracts, supplies for the upkeep of building and grounds, housekeeping supplies used by the agency or for programs, and payments for minor repairs. **Agency office expenses are not eligible.**
10. Rent and Utilities: Include rent, mortgage payments, real estate taxes, personal property taxes, parking fees, and any costs associated with agency utilities. **This category is not eligible for City funding.**
11. Insurance and Bonds: Include any additional insurance premiums or bonds (not included under “Personnel”) necessary to carry out the mission of the agency or programs of the agency, including general and liability insurance, vehicle insurance, property insurance, etc. **This category is not eligible for City funding.**
12. Capital Outlay (equipment and purchases): Include any costs associated with the lease or purchase of equipment or payments due this fiscal year, or associated with the purchase of office equipment paid from the agency’s operating budget.

Your TA CD-R contains a Word document with your application costing table(s) to track the expenses that were awarded to you and your application’s performance measurement table to make a monthly

progress report. We have filled in the grant amounts as requested in your application and approved by the City.

As part of the contracting process your grant application Scope of Services, Budget and Performance/Outcome measures become part of your contract with the City.

You should design a CDBG grant folder that contains a copy of your application with any clarifying correspondence between the City and your organization, your contract, outcome forms, copies of your affidavits and your monthly reports. Individual family/client grant recipient files should contain required supporting data e.g. income verification documentation and other required information.

NEXT STEPS

1. Following your agency's procedures, review the draft contract and contact us by January 31, 2007 with any changes or corrections you wish us to make.
2. We will accept or deny the changes and send you an electronic copy via email. You must produce four (4) hard copies of the final contract with your notarized signature on all 4 copies and return them to us by February 10, 2007.
3. We will then send the contracts to our attorney for legal review (two to four day turn around).
5. Return your signed National Objective Form, Budget Affidavit and Outcome Performance Form by February 10, 2007.
6. We will submit the contract to the required City departments for final review and signing by the City Manager.
7. We will notify you that the contract has been signed by the City, send you an official copy, and notify you that you may now begin submitting monthly billing and reporting documents.
8. Begin your program or begin billing and reporting on your expanded existing program.

BILLING AND REPORTING

Each month you should submit your billing and reporting by the 5th for the preceding month. Your billing and reporting package should contain:

- a. Your billing document tracking your drawdown of funds.
- b. Copies of individual invoices for materials or services billed categorized by billing line and equal to the amounts billed.
- c. Your reporting document with all LMI totals and other performance measures updated.
- d. Contact information for the person(s) who prepared the billing and reporting documents.

NOTE: An incomplete, late or inaccurate billing and/or reporting submission will trigger a desktop review of your entire grant and possible site visit. If possible please contact us before this happens and we will arrange a TA visit to get you back on track.

MONITORING

There are three primary goals of CDBG/City monitoring: to ensure production and accountability; ensure compliance with CDBG and other federal requirements; and evaluate organizational and project performance.

We will try to break the monitoring activities down into understandable pieces.

Reports. How long will we be monitoring your reports? During the program's life cycle your monthly reports along with your payment requests will be monitored each month. At the end of your program's grant cycle a total payment and preliminary outcome report will be due to the City (your final monthly report should cover this requirement). Additionally a final outcome report will be due 12 months after completion of the program. **You must keep program records for the grant period for 5 years after the grant cycle ends.**

Visits. When will I be monitored? During the grant cycle we will monitor your program and files twice. The first site visit will take place no later than the midpoint of your grant cycle and the second visit close to or at the end of your grant cycle.

NOTE: TA visits can be scheduled at any time and are encouraged. If you have questions or problems contact your grant monitor. If we have questions or problems with your payment requests or reports we will contact you immediately.

National Objectives. What are they? All CDBG program activities must meet one of the HUD national objectives. You all picked low- moderate- income (LMI) limited Clientele or LMI Area Benefit as your national objective in your grant applications. That is why there is a requirement and reporting columns for LMI persons in your monthly reports. You must track LMI services and submit the LMI affidavit as part of your grant process. Your grant monitor must check your LMI documentation and report this to HUD. If you have any questions about this topic contact your monitor immediately.

Income Verification. How do I verify LMI? Your TA CD-R contains an Excel spreadsheet with the three different ways you can verify income to determine if a family meets the LMI requirement. At least 51% of families you serve with your funded program must qualify as LMI. We sincerely hope that your program will serve a much higher percentage of LMI families. The 2006 Area Median Income (AMI) spreadsheet is also available on the TA CD-R and contains the income limits for this area. Use 80% of Median Income adjusted for family size to determine if the family meets LMI requirements. Again, we sincerely hope your program will serve families with much lower incomes than 80% of Median.

Area Benefit. How do I verify if I use the Area Benefit National Objective? To verify area benefit give us a map that clearly shows the boundaries of the area where your clients live. We will check this area map against the census tract data the City maintains and let you know if it qualifies for the area benefit designation.

Under the Area Benefit criteria, your grant approved service must be offered to **all** residents of an area where at least 51 percent of the residents are LMI.

Performance Reporting. As you begin using your performance measurement table please focus on tracking the outcomes you plan to achieve with individuals or families you will be serving. Ask the question, what is the long term benefit to the person/family participating in this activity? Then design ways to track the benefit over time.

Example: Your grant **output** is partial college scholarships given to LMI students. The **outcome(s)** could be that students receive their Associates Degree, transfer to a four-year college program, receive a job in their field of study with a living wage, or receive further scholarships from other sources to continue their education.

You will generally report on outputs in your monthly reports and billing documents:

Example - “Five \$500.00 partial scholarships were awarded this month for a total billing amount of \$2,500.00.”

You could also report on outcomes during the reporting period:

Example – “One scholarship recipient received their Associates Degree from Wake Tech this month and was hired by ABC HVAC Company.”

However, most outcome reporting will be contained in the Outcome report due 12 months after the end of the grant cycle.

If you have any questions about reporting outcomes we are available to provide TA and best practices information to help your project focus on outcomes and long term benefits to LMI individuals and families.

REFERENCES

TA CD-R

Your TA disk contains nine files:

- a. An electronic copy of your draft contract
- b. Your billing document
- c. The 2006 Area Median Income worksheet
- d. The Income Verification Workbook (IVW)
- e. Instructions for using the IVW
- f. An electronic copy of this booklet
- g. Your National Objective Affidavit
- h. Your Budget Affidavit
- i. Your Performance Measurement Form

FEDERAL REGULATIONS

The following documents contain requirements for non-profit organizations receiving federal funds. The latest versions of these documents may be found at <http://www.1800net.com/nprc/index.html>. Copies are also included on your TA CD-R.

- a. **OMB CIRCULAR - A-110**, Revised and Amended, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."
- b. **OMB CIRCULAR - A-122**, Revised and Amended, "Cost Principles for Non-Profit Organizations."
- c. **OMB CIRCULAR - A-133**, Revised, "Audits of States, Local Governments, and Non-Profit Organizations."

FINAL WORDS

Administering, tracking and reporting on your grant may seem like a daunting task. Your monitor is available to help you successfully accomplish these tasks.

The City of Raleigh's Community Development Department sees you as a very valuable partner in providing Public Services to our citizens and wants you to succeed in what you do.

Communication is the key. Your monitor is available to work with your staff implementing your grant project; meet with your board to explain CDBG restrictions or requirements and provide information you might need to fulfill your reporting requirements.

Contact information

Your Program Coordinator is:

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CD Program Coordinator
Special Housing Coordinator
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Please contact me if you have any questions or concerns.